Approved for Release: 2021/08/23 C01277638

(b)(3)

Secret

(b)(3)

Directorate of Intelligence

Intelligence Memorandum
Office of East Asian Analysis
20 November 1992

South Korea: Outlook for the Presidential Race

(b)(3)

South Korean observers view ruling Democratic Liberal Party candidate Kim Young Sam as the frontrunner in the presidential election set for 18 December, but the vote will probably be close. While Kim is striving to convince all factions of his party to campaign vigorously for him in their home strongholds, Democratic Party candidate Kim Dae Jung is working to broaden his support by moderating his leftist image and downplaying his regional identification with his home base in the Cholla provinces. The third major candidate, former Hyundai chairman Chung Ju Yung, has injected color into the campaign, but even his own party concedes his chances are slim. He could, however, draw votes from Kim Young Sam and give Kim Dae Jung the victory. None of the contenders would be likely to dramatically change Seoul's domestic or foreign policy, including its policy of seeking gradual reunification with North Korea. The election's greatest impact, therefore, may well be to further the democratization process begun in 1987.

(b)(3)

This memorandum was prepared by Office of East Asian Analysis
Information available as of 19 November 1992 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Northeast Asia Division, OEA, on

(b)(3)

(b)(3)

(b)(3)

(b)(3)

Secret
EA M 92-20165
LDA M 92-20113

Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

President Roh Tae Woo is limited by South Korea's 1987 democratic reforms to a single five-year term. He had hoped to pave the way for an easy succession by another ruling party politician, but the upcoming presidential election could well be another close contest in which the winner gains only a plurality at the polls. The legal campaign period for the 18 December election begins 20 November--although the candidates in fact have been campaigning for months. (b)(3)

Who Are the Candidates?

South Koreans see the election as the last battle for the presidency between "the two Kims"--the Democratic Liberal Party's Kim Young Sam, 64, and the Democratic Party's Kim Dae Jung, 66. As opposition politicians, both struggled against the repressive regimes of Park Chung Hee and Chun Doo Hwan, and both ran against Roh Tae Woo in the 1987 presidential election. Kim Young Sam subsequently jumped to the ruling camp, merging his party with Roh's in early 1990. Among several other candidates, the only serious contender is Chung Ju Yung, 77. The founder of the Hyundai Business Group, South Korea's second-largest conglomerate, Chung launched his United People's Party (UPP) in January, and his party was able to garner 17 percent of the vote in National Assembly elections only two months later (see appendix). (b)(3)

How Fair Will the Election Be?

Since democratization began in late 1987, the South Korean public has generally viewed elections as relatively open and fair. (b)(1) (b)(3)

Government intervention in the upcoming election may be lower for several reasons. Foremost are President Roh's actions this fall--resigning from the DLP himself and appointing a new prime minister and other cabinet members with no party affiliation. Roh declared he and the government would be neutral in order to fairly oversee the election. (b)(1) (b)(3)

Because of Roh's pledge and the public outcry over cases of interference during the runup to the legislative elections in March, moreover, the leadership of the security services and the military have also announced their neutrality. (b)(3)

Roh and government officials probably will not remain entirely above the fray--indeed, the opposition criticized Roh in mid-November for ordering police to abduct his brother-in-law, a legislator, and then attempting to dissuade him from bolting the DLP.

Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

But the atmosphere created by Roh's announcement of neutrality will make it difficult for local and security officials to intervene on the scale of the past. The public probably has higher expectations about the standard of government behavior during the campaign, and the exposure of any glaring misconduct could have repercussions at the polls. (b)(3)

What Strengths and Weaknesses Mark Each of the Candidates' Campaigns?

The record of recent South Korean elections suggests several factors will be crucial to each candidate's fortunes at the polls:

- *Regional loyalty*. This has been the most important single factor affecting voting patterns in past South Korean elections. Voters have generally backed native sons, expecting them to reward their home regions with economic programs and other favors. The strong animosity between regions also makes South Koreans reluctant to support candidates from rival areas.

- *Local party organization and financing*. As elsewhere, grassroots political organization is important to get out the vote. Moreover, South Korean politicians typically woo voters with expensive gifts and favors, making a large campaign chest critical.

- *The candidate's reputation*. South Korean politics tend to be highly personalized. It is difficult to judge which of the major candidates has the advantage on personality issues, because all three appear to represent a flawed Old Guard rather than the energetic "new face" much of the public had hoped would emerge. (b)(3)

Kim Young Sam enjoys the advantage in terms of regional support, party organization, and funding Kim's home base in South Kyongsang Province--about one-third of the electorate--supported him in the 1987 presidential election. Moreover, the DLP's other two factions dominate much of the central part of the country and could give Kim the support of grassroots party organizations across a wider swath of territory than his competition (see map). (b)(1) (b)(3) (b)(3)

Kim Young Sam must convince party officials, however, to set aside longstanding factional rivalries to campaign vigorously on his behalf. Support for Kim is only lukewarm in some DLP strongholds where other factions predominate, especially the so-called T-K area of Taegu City and North Kyongsang Province T-K faction leaders opposed Kim's nomination, and several have quit the party rather than back him. Voters in the T-K region, mindful of the benefits they enjoyed under native sons Park Chung Hee, Chun Doo Hwan, and Roh Tae Woo are reluctant to surrender power to a president from another area, (b)(1) (b)(3) (b)(1) (b)(3)

Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

The DLP's local organizations probably are more extensive and better financed than those of the other parties--which should help mobilize votes for Kim Young Sam. Kim has been concerned about funding his campaign, nonetheless. (b)(1) (b)(3)

Even without outside persuasion, businessmen will probably see him as the front runner and want to get aboard his bandwagon, in our judgment. Business contributors probably hope that, if Kim wins, they will be favored when the government awards contracts and other perks. (b)(1) (b)(3)

Kim Dae Jung's Democratic Party has a strong regional base, but it is smaller than the DLP's. Kim's native Cholla provinces, together with a significant bloc of voters in Seoul--where many Cholla natives have migrated in recent years--account for about 25 percent of the electorate. Kim Dae Jung's main challenge is to overcome the perception that he is the standard bearer of a regional party (b)(1) (b)(3) To be sure, Kim also draws support from some dissidents and students nationwide, because of his history of opposing authoritarian rule. But their support is eroding as Kim seeks to project a more moderate image to broaden his appeal with the middle class (b)(1) (b)(3)

In addition to having a smaller party organization, Kim Dae Jung is low on funding, (b)(1) (b)(3) This was probably the main reason Kim fought for a recent change in the election law that increased the state subsidy to political campaigns, (b)(1) (b)(3)

Chung Ju Yung's campaign strengths and deficiencies are the inverse of his rivals'. Aside from the city of Ulsan, where many Hyundai subsidiaries are located, Chung lacks a regional base. With a fortune some sources estimate at $6.5 billion, however, he has ample money for his campaign and is apparently using Hyundai executives to staff his party organization. Chung fielded a surprisingly large number of legislative candidates in March, only a few months after the party's founding, suggesting he was able to use his resources to quickly create a network of local organizations. UPP officials are trying to preserve that network and organize groups in new areas (b)(1) (b)(3) Moreover, the UPP may be able to expand its grassroots organization somewhat with the help of some former DLP officials who joined the UPP because of their opposition to Kim Young Sam. (b)(3)

(b)(1) (b)(3)

Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

What Are the Campaign Issues?

Issues have been less important to voters in South Korean elections than regional loyalty, school ties, and family connections, but three campaign themes have been prominent this time--the economy, corruption, and the need to end regional antagonism. About 10 to 20 percent of the electorate is undecided, some media polls put this percentage at one-third of the electorate--and the candidates' handling of these issues may help to sway this group. (b)(1) (b)(3) (b)(3)

The Economy. Polls during the year indicate that economic problems--especially inflation, a housing shortage, and the trade deficit--are the public's overriding concern. Each candidate is portraying himself as the one best qualified to manage the economy. Kim Young Sam has held highly publicized tutorial sessions with economists, probably in part seeking to convince voters that his economic advisers are more experienced than his competitors'. Kim Dae Jung, a one-time businessman, has detailed economic proposals in his speeches and reissued his book, *Mass Participatory Economy*, to show he is more knowledgeable on complex economic issues than Kim Young Sam. For his part, Chung Ju Yung cites his rags-to-riches business success to portray himself in speeches and interviews as the wise man needed to cure the nation's economic ills. (b)(3)

Rhetoric aside, however, the candidates' economic platforms are similar. Each pledges to lower inflation and provide affordable housing, according to press reports. To varying extents, the candidates also promise to curb excessive government intervention in the economy and to promote loans and other benefits for small businesses, which many South Koreans believe have suffered because of preferential government treatment of the conglomerates, or *chaebols*. Kim Dae Jung is stressing his view that the concentration of economic power in the *chaebols* works against equitable income distribution and undercuts smaller firms, which would be more innovative and respond faster to changes in the market. Chung Ju Yung advances similar ideas, probably to counteract the voters' suspicion that as a *chaebol* founder he would coddle big business. Kim Young Sam, for his part, has voiced only muted criticism of the *chaebols*, probably in part because many top executives are ruling-party stalwarts. (b)(3)

Clean Politics. Strong public reaction to several land fraud scandals and incidents of vote-rigging in the March National Assembly elections has pushed the candidates to call for fairer political practices. All three are scoring the corruption--or "money politics"--that has pervaded South Korean political life. (b)(3)

As the candidate of the incumbent party implicated in the scandals, Kim Young Sam has special reason to emphasize the clean politics theme. Kim has made the morality issue the centerpiece of his campaign, pledging to cure what he calls the "Korean disease."

Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

(b)(1)
(b)(3)

he appears to be striking a responsive chord among many South Koreans, who believe their society suffers from an ethical malaise marked by corruption and an eroding work ethic.

(b)(3)

Regionalism. Each candidate vows to ease longstanding regional rivalries, which many South Koreans blame for income inequalities and the confrontational nature of the country's politics. Traditionally, the group in power has tended to shower its regional base with government favors. The two Kims--whose home regions are fierce rivals--promise they will promote balanced economic development and appoint Cabinet ministers and other personnel from all regions, according to the press. UPP officials note their party is not strongly associated with a particular province--Chung Ju Yung was born in North Korea--and so is the group to overcome regionalism, according to press reports. Moreover, they add that the UPP was able to garner votes from a wide variety of areas in the March legislative elections.

(b)(3)

What Are Observers Predicting?

Political observers generally expect a close race but agree Kim Young Sam is the frontrunner,

(b)(1)
(b)(3)

If areas traditionally dominated by the DLP's factions cast a strong vote for Kim Young Sam--a long shot, in our view, given the party's history of factional discord--he could even win a majority. The key for both Kims will be to hold on to their traditional regional supporters and to make gains in Seoul.

(b)(3)

Most observers estimate support for Chung Ju Yung is low--well under 10 percent, according to media polls--and even his own party members generally do not believe he has a chance of winning. Chung could draw votes from Kim Young Sam, however, especially in Seoul and North Kyongsang Province, where several well-known former DLP leaders have recently joined his party.

(b)(3)

Kim Dae Jung supporters in the Democratic Party hope splits in the usual DLP vote will give him the edge. The DP stalwarts hope that former DLP member Lee Jong Chan, who is the New Korea Party candidate, will make a strong run for the presidency in Seoul and erode Kim Young Sam's support there. They also hope for DLP voter defections to Chung Ju Yung--especially because some former DLP officials are now UPP members. press reporting suggests, however, that backing from these officials is unlikely to draw much additional support for Chung. Many South Koreans view them with distrust because they have connections to the authoritarian regime of former President Chun Doo Hwan.

(b)(1)
(b)(3)

(b)(1)
(b)(3)

(b)(1)
(b)(3)

(b)(3)

Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

What Difference Does the Election Make for South Korea?

This presidential election is likely to be more significant for the process of democratization in South Korea than for the direction of Seoul's policy. Each of the three major candidates is fairly conservative, and their policy differences are relatively minor. They all advocate a free market system and gradual steps toward peaceful reunification with North Korea, for example. (b)(3)

But, in several ways, the presidential election--the second since democratic reforms began in 1987--will be a milestone. It will strengthen the precedent for a peaceful transfer of power according to the constitution. And it may also bring about important changes in the nature of the country's leadership and its election practices:

- It will mark the first time in 30 years that South Korea has a president without a military background, reinforcing the civilian nature of the government.

- If the government and security services indeed interfere less than they have in the past, the election will help institutionalize a higher standard for electoral fairness.

- The election may also help loosen the grip of regional animosities by bringing to power a leader who is not a native of Taegu City in North Kyongsang Province, home of Park Chung Hee, Chung Doo Hwan, and Roh Tae Woo. (b)(3)

What Difference Does the Election Make for the United States?

Whoever becomes South Korea's next president will almost certainly want to maintain strong relations with Washington, in our view. All of the major candidates have emphasized the continuing value of political and security ties to the United States. They have all publicly stressed the role of US troops in the South in enhancing regional stability, for example. Moreover, each candidate has sought meetings with prominent US officials--Kim Dae Jung and Chung Ju Yung visited Washington this fall--seeing such contacts as a way to boost their own image as statesmen and enhance their prestige with voters. Indeed, since the US presidential election in early November, each candidate has publicly declared himself to be South Korea's "Clinton." (b)(3)

In the economic sphere, all three candidates no doubt realize the need for cooperation with the United States, South Korea's largest export market. They almost certainly recognize the need to gradually open markets in order to avoid trade retaliation and to acquire needed technology. Nonetheless, we believe they share concerns about US efforts to accelerate the pace of market liberalization. Kim Dae Jung in particular has

Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

suggested he would resist liberalization of the agricultural sector--particularly the rice market. While Kim Young Sam occasionally has said the farm sector should become more competitive by international standards, Kim Dae Jung--whose constituency includes a significant percentage of farmers--has more emphatically advocated higher state subsidies.

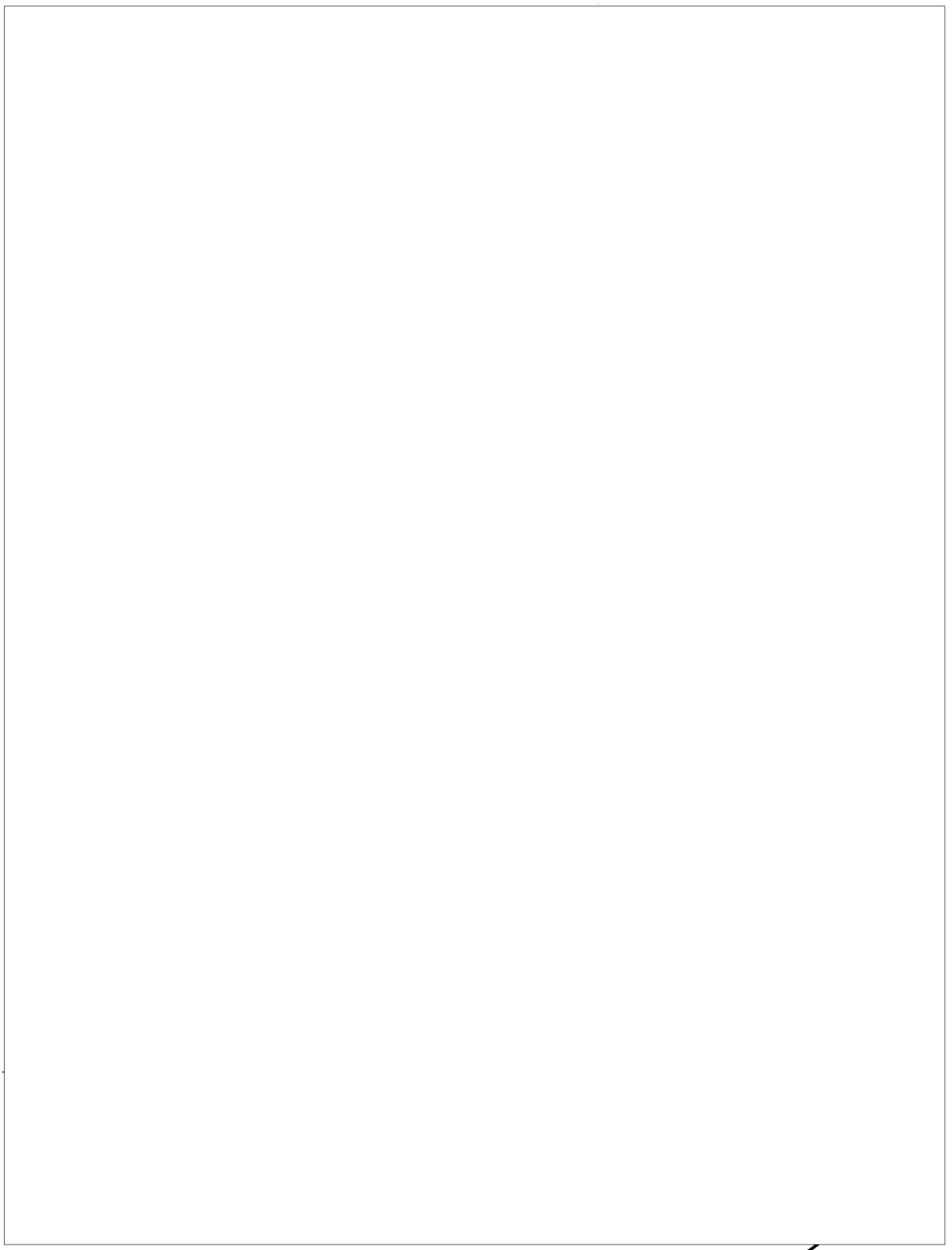
(b)(3)

Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

(b)(3)

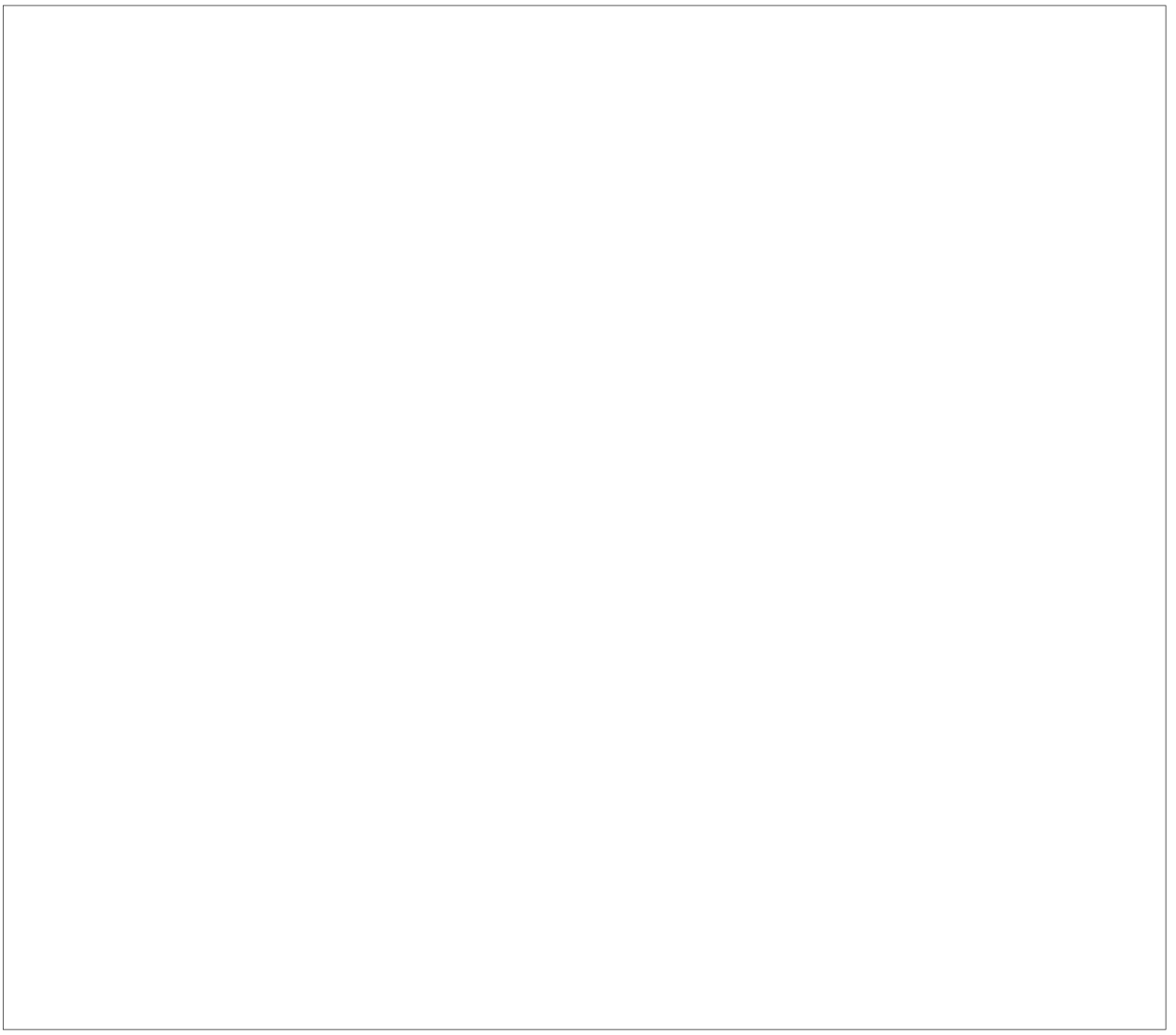
(b)(1)
(b)(3)



Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

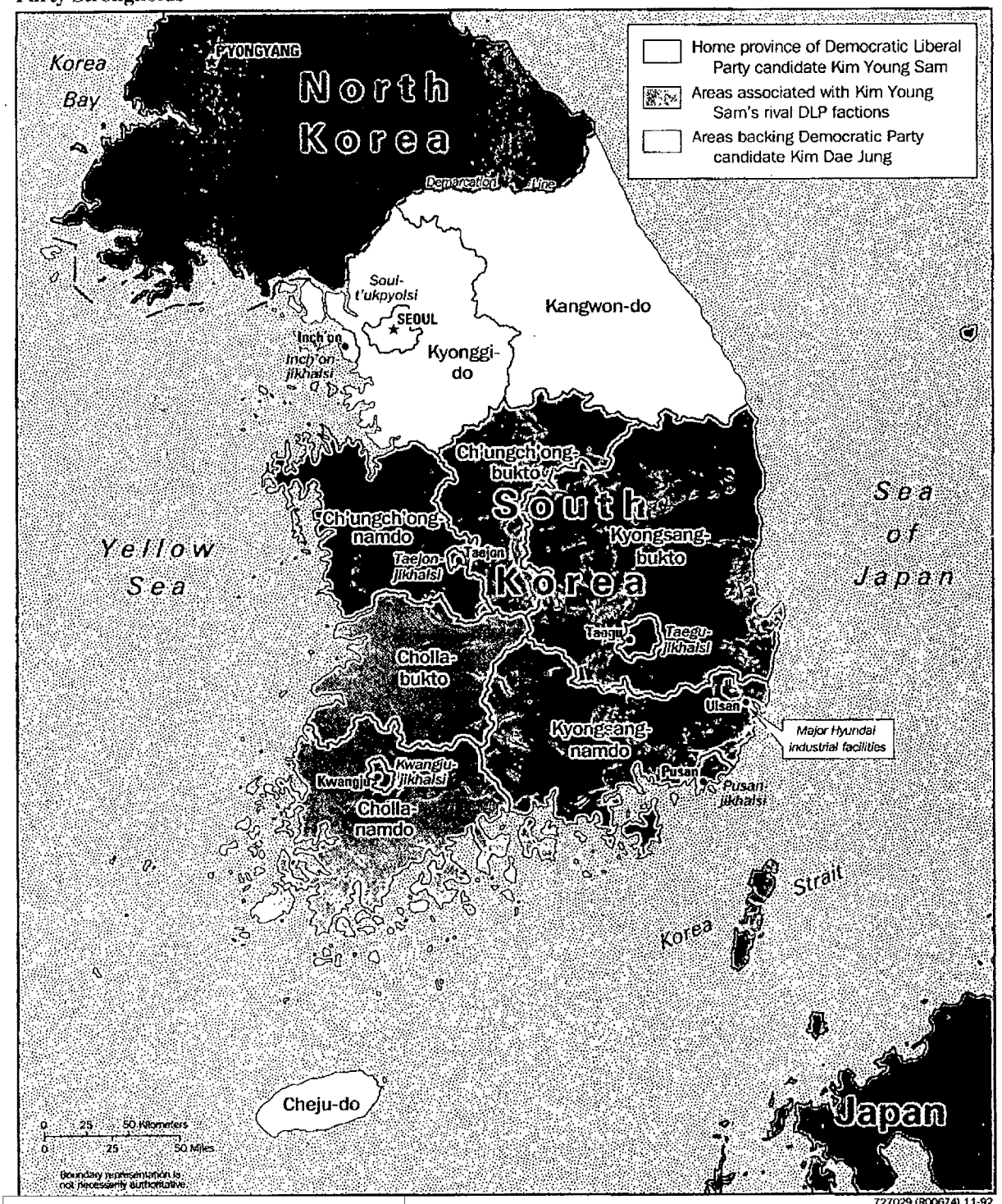
(b)(1)
(b)(3)



Approved for Release: 2021/08/23 C01277638

Approved for Release: 2021/08/23 C01277638

Party Strongholds



(b)(3)

Approved for Release: 2021/08/23 C01277638